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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
 )  
Implementation of Section 309(j) ) PP Docket No. 93-253  
of the Communications Act - )  
Competitive Bidding )  
 )  
To: The Commission )

**REPLY TO PETITIONS FOR RECONSIDERATION**

Tri-County Telephone Company, Inc. (Tri-County), by its attorneys and pursuant to Rule Sections 1.429(f) and 1.41 hereby responds in both support and in opposition to the petitions for reconsideration and clarification filed in PP Docket No. 93-253, In the Matter of Implementation of Section 309(j) of the Communications Act - Competitive Bidding.

Tri-County strongly concurs with the petition for reconsideration filed by South Dakota Network, Inc. (SDN), as it emphasizes the importance of involving rural telephone companies (or "rural telcos") in the provision of PCS and creating a level playing field for rural telcos in their provision of emerging technologies. In addition, Tri-County generally supports the positions of National Telephone Cooperative Association (NTCA) and U.S. Intelco, Inc. (U.S. Intelco), which vary from SDN in their specific approaches, but have in common the goal of ensuring that rural telephone companies are able to provide PCS service to rural customers.

Tri-County vehemently opposes the petition of GTE Service Corporation (GTE) in which GTE lauds the imposition of substantial upfront payments. The reasons for Tri-County's

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positions of both support and opposition are detailed below.

Tri-County is a telephone company based in New Richmond, Indiana, and is certificated by the State of Indiana to provide telephone exchange service in the counties of Tippecanoe, Clinton, Boone, Montgomery, and Fountain. It currently has 2,900 access lines. Tri-County desires to provide PCS service as well as other emerging technologies to its rural Indiana customers and therefore has an interest in this proceeding.

In order to provide PCS to the sparsely populated areas of Indiana which it currently serves, Tri-County will likely have to form a consortium with other small telephone companies or with other investors. However, the Commission's rules, if not modified, will make this and other aspects of providing PCS service difficult, and in some cases impossible. The Commission's definition of "rural telephone company," the nature of the benefits to be accorded rural entities, and the restrictions on the formation of consortia will, absent modification, act to prevent any meaningful participation by Tri-County and other rural telcos in the provision of PCS. Accordingly, Tri-County strongly endorses the petitions of SDN and the other rural entities that are working to make PCS a realistic possibility for telephone companies serving rural America.

Tri-County, like SDN, urges that the Commission revise the definition of "rural telephone company" so as to encompass

the many rural telcos which Congress has indicated should be protected, designated entities. As it stands, the Commission's overly narrow definition would exclude numerous rural telephone companies, thus eliminating service to much of rural America. Tri-County therefore endorses SDN's proposed definition of "rural telephone company" and respectfully requests that the Commission revise the definition to permit rural carriers with either 50,000 or fewer access lines or which serve no community with more than 10,000 inhabitants to qualify. Tri-County also agrees with the alternative proposal of SDN and others that a threshold of less than 100,000 access lines or less than \$100 million in annual revenue would be appropriate.

Tri-County also supports SDN's request that the Commission provide substantial bid credits to rural telcos, in order that they may compete effectively with the larger entities who, historically, have not been interested in serving the less financially attractive rural customers. However, as SDN notes, bid credits should not be tied to a build-out requirement for rural entities, for such a requirement would be unfair for the rural telcos who currently serve the highest cost-lowest revenue portions of the country. Any credits tied to build-out should be additional credits, above and beyond the bid credit, and should be given in recognition of superior build-out by rural telcos which operate under disadvantaged circumstances, both financially

and geographically. To provide anything less is to severely disadvantage rural telcos relative to their large metropolitan competitors, and to injure the rural customers who remain unserved if rural telcos are effectively precluded from PCS.

Tri-County further endorses the recommendations of SDN and other rural telcos who urge that rural providers of PCS be permitted to pay by installment. Rural telcos will bear higher build-out costs and lower revenue streams than any other group of designated entities, and for this reason, installment payments ensure that even rural telcos who will not realize steady revenue for several years can compete and can offer service to their otherwise unserved rural residents. Tri-County, however, strongly opposes GTE's support of substantial upfront payments applied across-the-board (Petition for Reconsideration, p. 7), for the application of such payments to rural telephone companies will make their participation often impossible.

Finally, Tri-County supports SDN's plea that the Commission permit the formation of consortia among designated entities and investors. Forming a consortium of rural telcos does not change the telcos' rural nature or their need for assistance in bringing the benefits of PCS and other emerging technologies to their customers who reside in sparsely populated areas. Instead, consortia of rural telcos remain rural in nature with no increase in population density, and they provide a means for small telcos to benefit their rural

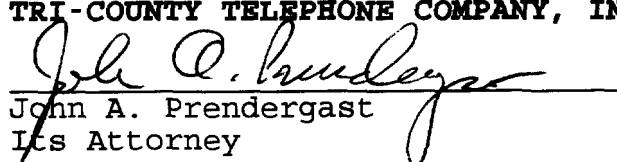
customers in ways which would otherwise be impossible if they were restricted to pursuing PCS and other emerging services alone. We further agree that the formation of consortia with investors is appropriate as well, so long as rural telephone companies retain at least 50.1 per cent equity control in any given consortium.

Tri-County hereby supports the petitions for reconsideration filed by South Dakota Networks, Inc.; National Telephone Cooperative Association; and U.S. Intelco, Inc.; Tri-County opposes the petition of GTE Service Corporation. Accordingly, we respectfully request that the Commission (1) expand the definition of "rural telephone company" so that it encompasses the small, rural telephone companies who remain unqualified under the Commission's current, narrow definition; (2) provide substantial bid credits which are not tied to build-out requirements for rural telcos; (3) permit rural telcos to pay by installment, and (4) authorize the formation of consortia with other rural telcos and investors, so long as rural telcos retain at least 50.1 per cent equity control.

Respectfully submitted,

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By:

  
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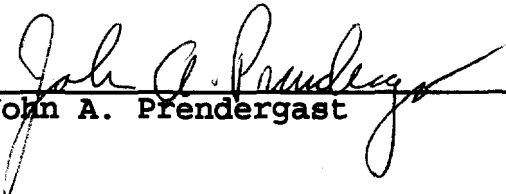
**CERTIFICATE OF SERVICE**

I, John A. Prendergast hereby certify that I am an attorney with the firm Blooston, Mordkofsky, Jackson & Dickens, and that on this 24th day of June, 1994, I caused to be delivered by first class United States mail, postage prepaid, the foregoing **"REPLY TO PETITIONS FOR RECONSIDERATION"** to the following:

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